

Contact: **Ronda Sloan**
Kentucky Office of Insurance
502-564-6098
502-330-1804 (cell)

Stuart Ferguson
Kentucky Captive Association
502-489-6110

NEWS RELEASE

KENTUCKY CAPTIVES MARKET RANKED NINTH IN U.S. *Number of captive insurers grows from 10 to 31 in 2007*

FRANKFORT, Ky. (March 21, 2008) – Kentucky is among the top 10 states in the nation and the top 25 locations in the world for captive insurers, according to the March 2008 issue of Business Insurance.

A captive is a specialized type of insurance company formed to insure the business risks of a corporate parent or a number of similar corporations (such as a trade association). Captive insurers are licensed and regulated by the Kentucky Office of Insurance.

During the last three years, Kentucky has updated its captive law, passed a resolution supporting the industry, and hired a full-time coordinator to handle market development and to oversee the regulation and licensing of these entities.

The number of licensed captives in the commonwealth grew from 10 to 31 during 2007. According to Business Insurance, this growth places Kentucky ninth in the United States behind Vermont, Hawaii, South Carolina, Nevada, Arizona, Utah, the District of Columbia and New York. Internationally, Kentucky is tied for 21st place.

Bermuda leads the world with 958 captives. Vermont, the top U.S. captive state, is third in the world with 567.

"The passage of legislation during the 2006 General Assembly went a long way toward making Kentucky competitive in the captive market," said John Burkholder, Office of Insurance acting executive director. "This growth was possible because the legislators, the Kentucky Captive Association, the captive owners and servicing professionals supported our efforts."

Burkholder added, "Captive insurers create high-paying, professional jobs and bring investment capital to the state, as well as providing a much-needed risk management tool for regional businesses."

Stuart Ferguson, president and founder of the Kentucky Captive Association, said, "We thank the people at the Office of Insurance for their vision and hard work in funding a captive unit, and providing the legal and financial staff expertise necessary to make this a highly attractive location."

Ferguson added, "Kentucky has carved a niche as an efficient captive location for the businesses of middle America. The commonwealth's low overhead, strong regulatory environment, as well as its central location and world class destinations, are responsible for this growth."

The Office of Insurance is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet.

The Kentucky Captive Association was formed as a non-profit in 2003 to promote Kentucky's captive industry and to act as a unified voice for Kentucky's captive owners and service providers.